Testimony of David Shipley
Administrator
Norwalk Surgery Center

Public Hearing of the State Tax Panel
September 16, 2016

Co-Chairman Dyson, Co-Chairman Nickerson and distinguished members of the panel, thank you for the opportunity to submit testimony related to the recently imposed 6% provider tax on ambulatory surgery centers, commonly known as ASCs.

My name is David Shipley and I am the Administrator of the Norwalk Surgery Center. Over the past year, over 3,000 Connecticut residents elected to undergo same-day surgical procedures at my center. Community-based ASCs like the Norwalk Surgery Center provide comprehensive, safe, cost-effective care for minimally invasive procedures – saving patients time, money, and the infection risks associated with hospital care.

Ambulatory Surgical Centers offer patients a safe and clinically equivalent site of care for approximately 3,500 surgical procedures alternatively performed in the hospital setting – for a fraction of the cost.

ASCs are fully regulated by federal and state entities and are evaluated by independent parties for state licensure, Medicare certification, and accreditation. We also achieve high levels of infection control due to rigorous prevention procedures.

Unfortunately, the recently passed budget imposed an onerous 6% provider tax on ASC gross receipts. It is estimated that ASC provider tax will result in 25% of the ASCs throughout the state to operate at a loss. The resulting closures will force patients seeking surgical care in higher cost hospital outpatient surgery departments.

By reducing the availability of community-based ASCs, patients will bear higher medical cost through deductibles, co-payments and co-insurance. Center closings will also cost Connecticut residents their jobs as well.

No other state imposes an ASC provider tax at this level. In fact, Rhode Island just repealed its 2% provider tax on ASCs in the recent legislative session.

I respectfully request the panel recommend to the legislature to fully repeal the ASC provider tax during the 2016 legislative session. Only a full repeal will ensure the availability of convenient, high-quality, low cost and effective surgical care to the residents of Connecticut.

Thank you for the opportunity to submit testimony for today's hearing.

David Shipley, MHA, MSPT
Administrator- Norwalk Surgery Center